

DEPARTMENTAL BUDGET INFORMATION AUDITOR GENERAL (50)

MISSION

The mission of the Office of the Auditor General (OAG) is to act as an independent, full-service appraisal function to examine and evaluate the City's activities in order to improve the accountability for public funds and to improve the operations of City government. We promote the economy, efficiency, and effectiveness of City government, and protect against fraud, waste, and abuse, by conducting independent audits, investigations, and evaluations; by keeping the City Council and the Mayor fully and currently informed of our work; by committing to total quality; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty, and integrity among OAG staff and the people we serve.

DESCRIPTION

The OAG performs audits of each City agency and prepares written reports that convey the resultant audit findings and recommendations to the City Council, the Mayor, and the management of each agency.

The OAG also performs special projects and other work, as requested by City Council, as initiated internally, or as required by City Code. Many of these projects result in formal reports or other communications to City Council. The Office also analyzes the Mayor's proposed City budget for City Council each fiscal year.

The annual financial audits of the City and its federal financial assistance programs are performed by qualified outside auditors hired by the Office of the Auditor General.

CORE SERVICES

The OAG has the responsibilities and authority, as stated in Section 4-205 of the Charter of the City of Detroit, to make audits of the financial transactions of all City agencies; to make a report of the financial position of the City after the close of each fiscal year; to investigate the administration and operation of City agencies; and to make reports to City agencies of irregularities of practice and erroneous accounting methods.

The OAG's primary responsibilities include the examination and evaluation of the adequacy and effectiveness of the City's system of internal control and the quality of performance in carrying out assigned responsibilities. This entails the following:

1. A review of the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
2. A review of the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports;
3. A review of the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
4. An appraisal of the economy and efficiency with which resources are employed;
5. A review of operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

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MAJOR INITIATIVES

The OAG has several major initiatives planned for 2001-2001 fiscal year.

One of these initiatives is our Service, Effort, and Accomplishments report. This report, which involves surveys of our citizens, will summarize the accomplishments by several major agencies, the cost and other resources required, and the citizen satisfaction with the respective agencies' performances.

Another major initiative planned for the fiscal year is a Risk Management Audit. This audit will entail a review of the City's Risk Management processes by the Law Department, and by the Risk Management Division of the Finance Department.

Another major initiative planned for the coming year is a review of the City's Police Department (DPD) processes. This review will entail benchmarking of the DPD costs and resources, a review of the processes, in major divisions, and an analysis of the trends and outcomes related to DPD activities.

PLANNING FOR THE FUTURE

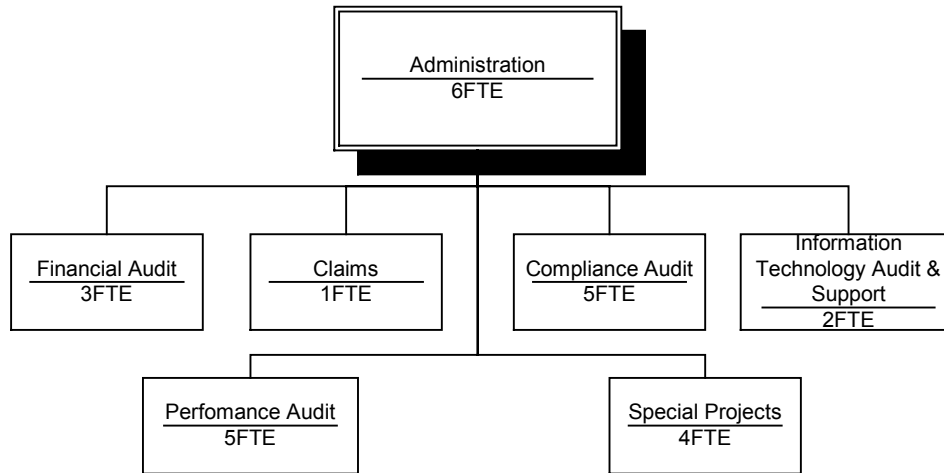
The OAG plans to increase the utilization of software for both the administrative and the

operational activities. The key software includes ACL, which enables our auditors to analyze one-hundred percent data files, rather than resorting to sample; CardMap, which enables our auditors to capture and organize data generated during the audit in a database, thereby facilitating the preparation of the reports and subsequent searches for key data; and TeamMate, an audit scheduling software package that allows better tracking of auditors performance.

The OAG anticipates the loss of four or five auditors by September, 2001, including the Deputy Auditor General, the Chief Auditor, an information technology auditor and one or two other staff auditors. We expect the impact of these losses to be significant.

The Human Resources Department has provided very few candidates for OAG positions during the past two years, while the turnover rate has been around thirty percent per year. The Auditor General and key team members will be heavily involved in the recruiting process during the coming year.

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PERFORMANCE GOALS, MEASURES AND TARGETS

Goals: Measures	1999-00 Actual	2000-01 Projection	2001-02 Target
Conduct Internal Control Reviews and/or operational/performance audits and submit reports on related findings to the Mayor and to City Council: Internal Control and Performance Audit Reports submitted	12	18	12
Perform audits of financial transactions of city agencies and submit reports on related findings to the Mayor and to City Council: Reports on Audits of Financial Transactions	0	6	12
Perform special projects, such as investigations, benchmarking, research, and City Council requests: Special Project Reports Issued	9	6	6
Hear and make decisions on all claims forwarded from the Law Dept. and communicate the outcome in a timely manner: Claims hearings	117	120	120

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EXPENDITURES

	1999-00		2001-02		
	Actual	2000-01	Mayor's	Variance	Variance
	Expense	Redbook	Budget Rec		Percent
Salary & Wages	\$ 993,028	\$ 1,391,256	\$ 1,382,975	\$ (8,281)	-1%
Employee Benefits	464,922	651,051	713,399	62,348	10%
Prof/Contractual	993,754	1,090,000	743,925	(346,075)	-32%
Operating Supplies	13,153	26,000	26,000	-	0%
Operating Services	127,361	146,801	146,532	(269)	0%
Capital Equipment	16,597	33,000	-	(33,000)	-100%
Other Expenses	67,166	25,000	25,000	-	0%
TOTAL	\$ 2,675,981	\$ 3,363,108	\$ 3,037,831	\$ (325,277)	-10%
POSITIONS	16	26	26	-	0%

REVENUES

	1999-00		2001-02		
	Actual	2000-01	Mayor's	Variance	Variance
	Revenue	Redbook	Budget Rec		Percent
Sales & Charges	394,236	300,000	300,000	-	0%
Sales of Assets	15	200	-	(200)	-100%
TOTAL	\$ 394,251	\$ 300,200	\$ 300,000	\$ (200)	0%